

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-383-C - ORDER NO. 2000-0287
APRIL 5, 2000

IN RE: Application of WebNet Communications,) ORDER
Incorporated For A Certificate of Public) GRANTING
Convenience and Necessity to Operate As A) CERTIFICATE FOR
Reseller of Interexchange) LONG DISTANCE
Telecommunications Services Within the) AUTHORITY AND
State of South Carolina and For Alternative) ALTERNATIVE
Regulation of Its Business Service Offerings.) REGULATION

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of WebNet Communications, Inc. ("WebNet" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold telecommunications services between and among locations within the State of South Carolina as a non facilities-based interexchange telecommunications service provider. By its Application, WebNet also requested that all of its business service offerings be regulated in a manner similar to that approved for AT&T Communications of the Southern States, Inc. (AT&T) by Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

The Commission's Executive Director instructed WebNet to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of WebNet's Application and of the manner and time in which to file the appropriate pleadings for participation in

the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene were filed.

A hearing was convened on February 17, 2000, at 11:00 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Philip T. Bradley, Chairman, presided. WebNet was represented by Weston Adams, III, Esquire, and Joan Stewart, Esquire. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Robert F. Schneberger, Vice President of Operations for WebNet, appeared and testified in support of the Application. According to the testimony, Mr. Schneberger has taken interim leave of absence from Global TeleCompetition Consultants ("GTC") to accept the position of Vice President of Operations for WebNet in order to direct its start-up operations. WebNet is a Virginia corporation that has received authority to transact business as a foreign corporation from the Secretary of State of South Carolina. After receiving certification from this Commission, WebNet will operate as a switchless reseller who offers direct dialed (1+) service and calling card services. In addition, the Company will offer its services to residential and business customers.

Mr. Schneberger offered testimony regarding the Company's managerial, financial, and technical ability to provide telecommunications services in South Carolina. As a switchless reseller in South Carolina, WebNet's underlying carrier will be Sprint. The testimony reveals WebNet will rely on the technical expertise of its underlying carrier for maintenance and administration of its long distance network services. Mr.

Scheberger also offered that the Company's personnel possess skills and experience which will be used to augment the expertise and technical assistance obtained from its underlying carrier. WebNet is currently authorized to provide its telecommunications services in several states including Arkansas, Florida, Kansas, Massachusetts, Michigan, Missouri, Montana, New Hampshire, New Jersey, Ohio, Pennsylvania, Texas, and Wyoming.

According to the testimony, WebNet has competent and experienced management personnel in entrepreneurial businesses. In addition, the Company has retained the services of GTC to help guide it through the certification process as well as to obtain guidance in the telecommunications industry. Mr. Schneberger indicated WebNet will continue to hire personnel necessary to provide successful and continuous resale telecommunications services in South Carolina. As Vice President of Operations, Mr. Schneberger has held executive positions with several interexchange carriers as either a Chief Operating Officer or Chief Executive Officer. Mr. Schneberger is also a member of the Telecommunication Resellers Association.

Regarding the Company's financial ability to offer telecommunications services in South Carolina, the record reveals WebNet has been provided a line of credit in an amount not to exceed three hundred thousand dollars (\$300,000) from GTC. According to the testimony, WebNet, as a reseller, does not have a need for a large amount of capital to offer its services; nor does the Company anticipate a need for taking on any debt to offer service. Mr. Schneberger also offered that WebNet's management team is

experienced to direct operations and the Company expects its South Carolina operations to be profitable within three months from the date in-state operations are initiated.

Before the Company begins to offer its services in South Carolina , WebNet will employ staff to operate its customer service department. According to the testimony, the customer service department will be open Monday through Friday, during normal business hours. Billing inquiries will also be answered by the Company's customer service department representatives. ILD Communications provides billing services for WebNet and WebNet's name will appear on customers' bills. Finally, Mr. Schneberger testified WebNet's existence in South Carolina will provide consumers with product offerings that are easy to understand and with a viable alternative to other long distance carriers.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. WebNet is organized as a corporation under the laws of the State of Virginia and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. WebNet operates as a non facilities-based reseller of interexchange services and wishes to provide its services in South Carolina.
3. WebNet has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to WebNet to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for WebNet for its resale of residential services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. WebNet shall not adjust its residential rates below the approved maximum level without notice to the Commission and to the public. WebNet shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed

increase in the maximum rate level for residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 1999).

4. If it has not already done so by the date of issuance of this Order, WebNet shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. WebNet is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. WebNet shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If WebNet changes underlying carriers, it shall notify the Commission in writing.

8. WebNet shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A. Be advised that the Commission's annual report for telecommunication companies requires the filing of intrastate revenues and intrastate expenses.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. WebNet shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

10. With regard to the origination and termination of toll calls within the same LATA, WebNet shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dial parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

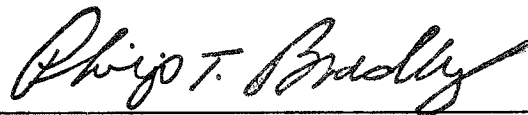
11. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

12. With respect to business service offerings, credit card services, operator services, and customer network offerings, tariff filings will be presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven (7)

days, then the tariff filing will be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to WebNet also.

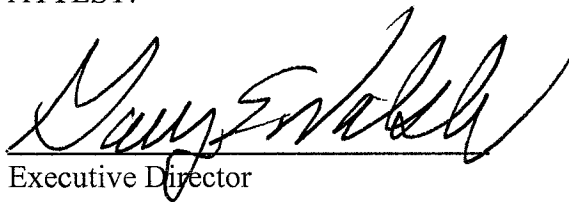
13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'

COMPANY NAME

FEIN

ADDRESS PHONE NUMBER

CITY, STATE, ZIP CODE FAX NUMBER

1. SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31, OR FISCAL YEAR. \$ _____
2. SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31, OR FISCAL YEAR. \$ _____
3. RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS
ENDING DECEMBER 31, OR FISCAL YEAR. \$ _____
4. PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING
DECEMBER 31, OR FISCAL YEAR. \$ _____
5. PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED
COST PERCENTAGE (%) _____
6. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF
EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF
ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).
7. **CONTACT PERSON FOR ALL FINANCIAL INQUIRIES AND REPORTING:**

NAME _____

ADDRESS (IF DIFFERENT FROM COMPANY) _____

TELEPHONE NUMBER _____

SIGNATURE

NAME PLEASE PRINT OR TYPE

TITLE

April 5, 2000

ATTACHMENT B

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).